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BOOK REVIEWS.

THE ECONOMICS OF COMMUNISM, WITH SPECIAL REFERENCE TO RUSSIA'S EXPERIMENT. By Leo Pasvol'sky, formerly Editor of the *Russkoye Slovo*, and *The Russian Review*. The Macmillan Company, New York City, 1921, pp. xvi, 312.

The science of economics, in contrast with the natural sciences, is handicapped by its inability to use at will the method of experiment. We cannot isolate particular things for study. Our laboratory is the world, in which the whole mass of economic phenomena are thrown together in a bewildering maze of action and reaction quite beyond the control of the student. Only occasionally, through some accident of history, does any particular group of phenomena stand out in such fashion as to furnish a real experimental test of economic law.

The discussion of socialism has perforce been largely a matter of deductive reasoning. Many experiments in socialism have, indeed, been tried. Isolated communistic communities have sprung up and lived a more or less brief life in various parts of the world. But these have been small affairs, complicated by various extraneous circumstances, and seldom recognized as adequate experiments by either the friends or the foes of socialism. Now at last the world has before it a great national experiment in communism. The experience of the past few years has been a ghastly one for the Russian people. No one, not wholly lacking in human sympathy, can fail to be moved by their sufferings. Yet a service of incalculable value has been rendered to mankind in thus putting before us a great practical test of the philosophy of communism. The world will be blind indeed if it does not take full advantage of its opportunity by studying carefully the Russian experiment.

We have been flooded with "news" from Russia. Much of it is clearly biased, mere propaganda of one side or the other, and not worth serious consideration. The present volume is not of that sort. Its author, Leo Pasvol'sky, is a Russian, formerly editor of the *Russkoye Slovo* and *The Russian Review*. He is clearly well-informed as to Russian conditions, both before and during the Soviet regime, and has had unusual access to official documents. While not in sympathy with communism or the Soviet rule, his book shows evidence of careful and impartial study. His sources are all official documents of the Soviet authorities or the writings of their propagandists and agents. So far as the facts go, the author can certainly not be accused of bias against the Soviet idea, and his conclusions follow inevitably from the facts.

To summarize, even briefly, the extraordinary story here presented and the conclusions to be drawn from it is quite out of the question in an ordinary review. What has particularly interested me is the remarkable way in which the general conclusions of economics as to the merits of communism are here confirmed.

We have said that the one great inducement which leads men to work and produce is the guarantee that each shall have (at least approximately) that which he produces. We have predicted that under communism the motive to produce would be lost and, whatever the scheme of distribution, the people would suffer from the lack of the things that satisfy human wants. That exactly this has happened in Russia is here proved beyond the shadow of a doubt. Witness the following, taken at random from the mass of similar evidence (page 171):

"The Petrograd *Krasnaya Gazeta* of September 10, 1920, reports the following results of a casual inspection made at several factories in Petrograd:

"At the Nobel factory the list of workmen indicated 457 workmen and 116 employees. The inspectors found that 107 workmen and 14 employees were absent on leave; 37 workmen and 17 employees were ill; 19 workmen and 1 employee were absent on special missions. Thirty-one workmen and 1 employee were absent for no reason. Thus, according to the records at the office of the factory, only 263 workmen and 83 employees, *i. e.*, less than half of the list were present.

"But the inspectors did not stop there. It is not enough that a workman is indicated as having reported for work; it is necessary to see whether or not he is actually at his place. The following was the situation at the shops: In the mechanical shop, in which 43 were reported as present, only 24 were actually at work. In the forge room, only 5 out of 14 were at work. In the moulding room, there were 16 instead of 69 . . . The repair shop beat the record: instead of the 41 workmen indicated as having reported in the morning, two men were wandering about the shop in a weary fashion. The transmission belts were running, but no work was being done, because there were no gears in the lathes. It was only in the assembling room that all the five workmen who had reported in the morning were actually at work."

Of the state of starvation and misery to which the Russian people have fallen, evidence appears on nearly every page.

Economics has said that the communistic regime would fail to appreciate the importance of expert skill and organizing ability, of brains, in industry, and that the result would be the breakdown of industrial organization and the decline of production. The Soviet regime has given the proof. At first the idea was to class the experts and managers with the bourgeoisie and prosecute them accordingly, or at best to reduce them to the level of the common unskilled workman. The inevitable collapse of production having come, the attempt was made to bring back the brains into industry, either by compulsion or by the bribe of higher pay and special privilege, all to no avail.

Few realize the extraordinary complexity of the modern industrial organization. Without legal compulsion, without apparent conscious plan, each person, be he the president of the railroad, the managing director of the factory, the mechanic at the lathe, the stenographer in the office or the longshoreman on the dock, finds his place and does his work. A scheme of co-operative effort too complicated for the human mind fully to grasp works day by day on the basis of freedom in the choice of occupation and money exchange of the products. The economist has said that if ever communism should scrap this organization, nothing but the brute force of

iron-clad military compulsion could ever take its place, and that even military compulsion would be powerless to keep production going. Here again the Russian experiment gives conclusive evidence. In the author's words (page viii):

"But the year 1920 also ended with an almost universal realization, even on the part of the Soviet leadership, of the fact that, from the viewpoint of economic production, the situation in the country was rapidly becoming more and more desperate. Out of this realization there emerged the inevitable envisagement of the fundamental dilemma which the leaders of Communism must face and which may be expressed as follows:

"Communism is impossible without the application of compulsion in the economic life of the country; but economic production is impossible with the application of such compulsion."

It has been charged against communism that its organization would inevitably lead to a top-heavy officialdom, occupying a privileged position, and recruited on the basis of political favoritism rather than efficiency. As Professor Sumner used to say: "When the community is ruled by a committee, the place to be is on the committee." What does the Russian experiment show?

"The growth of the officialdom, in the economic and political administration of the country, may be seen from the following figures, indicating the status of the population of Petrograd. In July, 1920, the total adult population of Petrograd was estimated at 562,404, divided into five groups. The first group comprised the workmen, the actual producers in the Communist sense; it numbered 253,340, or less than one-half of the total. The next group comprised the government employees; it numbered 142,912, or over one-quarter of the whole adult population. The next group comprised soldiers and sailors, of whom there were 113,207. The other two groups consisted of university students and of housewives. *Thus one out of every four adults in Petrograd is a government official; one out of every two adults in Petrograd is either a government official or a soldier.*

"It must be borne in mind that Petrograd is not the capital of the country. Its officialdom is not national, but local in character. The situation in Moscow in this respect is very much worse." (Page 206.)

And again:

"Whatever (the Soviet regime) hoped to be economically, it is anything but the 'workman-peasant' authority, as it still styles itself with pride. It has alienated itself from both workmen and peasants. It has to apply to both a constantly increasing pressure of sheer force. It has created for itself a support consisting of two privileged classes, the officialdom and the army, the privileged condition of which is bound up with the continued existence of the regime itself." (Page 303.)

Finally we see in Russia demonstration of the vitality of those fundamental economic principles of demand and supply and the laws of trade. Free exchange has been forbidden. Goods may be sold only to the government and purchased only from the government, and at "fixed" prices. Yet in spite of this prohibition, in spite of dire punishment, including even death, for its violation, there has grown up an extensive illicit trade, "spekulyatsia," which in volume has gained steadily on the legal trade through government agencies. Only by means of this illegal trade has the bulk of the city

population avoided starvation, the government having been utterly incapable of providing more than a small fraction of the food and other products necessary to sustain life. What is more significant, the bulk of the manufactured products entering into this trade is actually obtained from the government's own warehouses, through favor, bribery and theft. The Soviet government has been powerless to cope with the situation. Even the official guards appointed to stop the "spekulyatsia" and arrest the "bagmen" have been corrupted by bribes and become the guardians and assistants of the illegal traders. The prices charged by the "bagmen" are enormous and their profits great. Yet their business thrives and the people are supplied, after a fashion.

There is nothing of the sensational in this book, in spite of the rich opportunity for such appeal. We have here a study in economics, pure and simple, requiring no lurid pictures to give it interest, a story that will grip any intelligent reader by the sheer force of the importance of the subject and the clearness of the lesson.

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MEN AND BOOKS FAMOUS IN THE LAW. By Frederick C. Hicks, A. M., LL. B. With an Introduction by Harlan F. Stone, Dean of Columbia University Law School. The Lawyers' Co-Operative Publishing Company, Rochester, New York, 1921, pp. 259.

This little book is written by the Associate Professor of Legal Bibliography and Law Librarian of Columbia University Law School, who submits his studies as impressionistic sketches of their subjects, expressing the hope that they will give some inspiration to his readers to look further into the realms of legal literature. The preliminary chapter is entitled *The Human Appeal of Law Books*, which the author well says exists because of their contents, and the pictures of life which form their background, telling the story of men and events. Other chapters discuss Cowell's Interpreter; Lord Coke and The Reports; Littleton and Coke upon Littleton; Blackstone and his Commentaries; Kent and his Commentaries; Livingston and his System of Penal Law; and finally Henry Wheaton. A valuable though necessarily partial bibliography concludes the book.

The learned author has well performed his labor of love, and his book should be widely read, especially by the law students and the younger lawyers of this generation, not to speak of their elders, whose scholastic career began after the older system of legal education had been superseded by that at present in vogue. It has now most unfortunately become the fashion to neglect and even to deprecate the study of the writings of Coke and of Blackstone. We hear much of the pedantry and historical errors of the former, as well as sneering criticisms of his personal and temperamental characteristics, but too often these criticisms are voiced by those who never read his life, and never opened his Reports or Institutes, even the immortal